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TRACEY C. GREEN
SPECIAL COUNSEL

June 25, 2007

VIA HAND-DELIVERY

The Honorable Charles L.A. Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

COPY
Posted: D. Duke
Dept: SA
Date: 6-26-07
Time: 9:10

RECEIVED
2007 JUN 25 PM 4:39
SC PUBLIC SERVICE
COMMISSION

RE: Application of Southland Utilities, Inc. for adjustment of rates and charges for the provision of water service

JUN 26 2007

Dear Mr. Terreni:

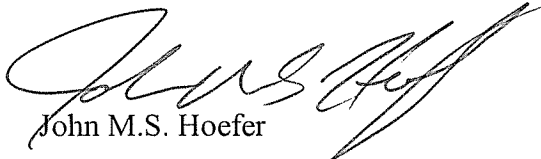
Enclosed for filing are the original and ten (10) copies of the Application of Southland Utilities, Inc., in the above-referenced matter. Also enclosed you will find the Applicant's proposed notice of filing and hearing. By copy of this letter, I am serving a copy of these documents upon the Executive Director of the Office of Regulatory Staff and enclose a Certificate of Service to that effect.

I would appreciate your acknowledging receipt of this Application and Certificate by date-stamping the extra copies that are enclosed and returning it to me via our courier.

If you have any questions or if you need any additional information, please do not hesitate to contact us.

Sincerely,

WILLOUGHBY & HOEFER, P.A.


John M.S. Hoefer

JMSH/twb

Enclosures

cc: Honorable C. Dukes Scott

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2007-244 -SW

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COMMISSION

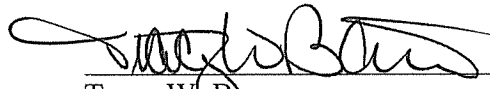
IN RE:

Application of Southland Utilities, Inc.
for adjustment of rates and charges
for the provision of water service.

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one (1) copy of the **Application** by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Honorable C. Dukes Scott
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211



Tracy W. Barnes

Columbia, South Carolina
This 25th day of June, 2007.

RECEIVED

2007 JUN 25 PM 4: 39

SC PUBLIC SERVICE
COMMISSION

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2007 --244-W

SOUTHLAND UTILITIES, INC. – APPLICATION FOR ADJUSTMENT OF RATES AND CHARGES FOR THE PROVISION OF WATER SERVICE.

Southland Utilities, Inc. (Southland or the Company) has filed an Application with the Public Service Commission of South Carolina (the Commission) for an adjustment of the Company's rates and charges and modification of certain terms and conditions for the provision of water service. Southland is a public utility, as defined by S.C. Code Ann. § 58-5-10(3) (Supp. 2006), providing water service to the public for compensation in certain areas of South Carolina pursuant to rates approved by the Commission in Docket No. 90-551-W.

Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2006) and 26 S.C. Code Ann. Regs. 103-712.4.A (1976, as amended), the Company requests that the Commission approve an increase in its monthly water service rates. Also, pursuant to 26 S.C. Code Ann. Regs. R. 103-703, Southland proposes a modification to the terms and conditions under which a tenant will be billed for water services to comport with current S.C. Code Ann. § 27-33-50 (Supp. 2006). Additionally, the Company proposes to add language requiring its customers to conduct cross connection testing and to add a charge for same if such inspections are undertaken by the Company to meet the requirements of 24A S.C. Code Ann. Regs. 61-58.7.F.8 (Supp. 2006). The Company also proposes to include certain terms and conditions pertaining to the extension of its facilities and to delete certain provisions pertaining to payments to defray federal taxes arising out of contributions in aid of construction and to modify provisions dealing with single family equivalents to incorporate the pertinent regulation of the South Carolina Department of Health and Environmental Control ("DHEC") in lieu of the current table or ratings.

In support of its request for an adjustment in the Company's water rates, terms and conditions Southland asserts, among other things, that the proposed water rate increases are necessary in order that it may provide reasonable and adequate service to its customers, comply with standards and regulations set by DHEC and other governmental agencies which regulate the environmental aspect of the Company's business, and earn a reasonable return on its investment and attract capital for future improvements. The Company also asserts that the proposed water rate increases are necessary to preserve its financial integrity and to permit continued investment in and maintenance of its facilities so as to provide reliable and high quality services.

THE PROPOSED CHANGES IN THE RATES AND CHARGES ARE SET FORTH BELOW
(The complete rate schedule is available from the Company at the address below and on the Commission's website at www.psc.state.sc.us)

DOCKET NO. 2007-____-W
NOTICE OF FILING AND HEARING
PAGE 2

WATER

Monthly Charges	Current	Proposed
<u>Residential (per single family house, condominium, mobile home, apartment unit)</u>		
Basic Facilities Charge	\$7.00	\$21.79
Commodity Charge	\$2.60 per 1,000 gallons or 134 cft	\$8.09 per 1,000 gallons or 134 cft
<u>Commercial</u>		
Basic Facilities Charge		
Per single family equivalent	\$7.00	\$21.79
Commodity Charge:	\$2.60 per 1,000 gallons or 134 cft l	\$8.09 per 1,000 gallons or 134 cft

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, 101 Executive Center Dr., Columbia, S.C. on _____, **2007** at _____ **a.m.**

Any person who wishes to testify and present evidence at the hearing should notify, in writing, the Docketing Department and John M. S. Hoefer, Esquire, Willoughby & Hoefer, P.A., Post Office Box 8416, Columbia, South Carolina 29202-8416 on or before _____, **2007**, and indicate the amount of time required for the presentation.

Any person who wishes to express their views but is unable or does not desire to appear and testify at the hearing should submit those views to the Docketing Department, in writing, on or before _____, **2007**.

Any person who wishes to participate in the hearing, as a Party of Record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure, on or before _____, **2007**.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, SC 29211

_____-_____-_____-

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2007-244-W

RECEIVED
2007 JUN 25 PM 4:39
SC PUBLIC SERVICE
COMMISSION

IN RE:)
)
Application of Southland Utilities, Inc.)
for adjustment of rates and charges)
for the provision of water service.)
_____)

APPLICATION

Southland Utilities, Inc. ("Applicant" or "Company") would respectfully show unto, and request of, the Commission as follows:

BACKGROUND

1. Applicant is a corporation organized and existing under the laws of the State of South Carolina.
2. Applicant is a public utility, as defined by S.C. Code Ann. § 58-5-10(3) (Supp. 2006), providing water service to the public for compensation in certain areas of South Carolina pursuant to rates approved by the Commission in Docket No. 90-551-W.
3. All communications or inquiries regarding this Application should be directed as set forth below:

a. **Applicant's Representative:**

Mr. Steven M. Lubertoizzi
Chief Regulatory Officer
Utilities, Inc.
2335 Sanders Road
Northbrook, Illinois 60062-6196

b. **Legal Counsel:**

John M. S. Hoefer, Esquire
Benjamin P. Mustian, Esquire
Willoughby & Hoefer, P.A.
Post Office Box 8416
Columbia, South Carolina 29202-8416
(803) 252-3300

REQUEST FOR RATE RELIEF AND RATE SCHEDULE MODIFICATIONS

4. Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2006) and 26 S.C. Code Ann. Regs. R. 103-712.4.A (1976, as amended), Applicant requests that the Commission approve an increase in its monthly water service charges as set forth in the three (3) page rate schedule attached hereto and incorporated herein by this reference as Exhibit “A”. Also, pursuant to 26 S.C. Code Ann. Regs. R. 103-703 (1976, as amended), Applicant proposes a modification to the terms and conditions under which a tenant will be billed for water services to comport with current S.C. Code Ann. § 27-33-50 (Supp. 2006), as same may be amended in the future. Further, Applicant proposes to add language requiring its water customers to conduct cross connection testing, and to add a charge for same if such inspections are undertaken by Applicant, to meet the requirements of 24A S.C. Code Ann. Regs. R. 61-58.7.F.8 (Supp. 2006). Additionally, Applicant proposes to delete certain provisions of the rate schedule pertaining to payments by persons making contributions in aid of construction previously necessitated by a provision of the federal Tax Reform Act of 1986 (which has since been repealed) and to modify the provision dealing with single family equivalents to incorporate the pertinent regulation of the South Carolina Department of Health and Environmental Control (“DHEC”) in lieu of the

current table or ratings. Finally, the Applicant proposes technical corrections to the rate schedule regarding references to the Commission's Rules and Regulations.

SUPPORTING DOCUMENTATION

5. Applicant proposes a test year of January 1, 2006 to December 31, 2006 and has prepared certain financial statements relating to that time period in support of the Application, which statements are attached hereto and incorporated herein by this reference as Exhibit "B", pages 1 through 5. These financial statements include the following:

- a. Balance Sheet (Schedule A),
- b. Current and pro forma income and expense statements (Schedule B), and
- c. Rate base and resulting rate of return calculations based upon proposed rates (Schedule C).¹

Applicant also submits, as Exhibit "B" pages 6 through 8, the following information in support of the Application:

- d. Water consumption analyses (Schedule D)
- e. Water proposed revenues (Schedule E)
- f. Schedule of current and projected customers (Schedule F)

6. Attached hereto and incorporated herein by this reference as Exhibit "C" is the most recent approval letter from the South Carolina Department of Health and Environmental Control ("DHEC").

¹These calculations are for informational purposes only as Applicant will submit evidence with respect to proper returns on equity and rate base at hearing.

7. Attached hereto and incorporated herein by this reference as Exhibit "D" is the Company's current customer bill form.

8. There is on file with this Commission a performance bond given to satisfy the requirements of S.C. Code Ann. § 58-5-720 (Supp. 2006).

9. A map depicting Applicant's current service area is on file with the Commission.

10. The financial statements, the other documents submitted herewith, and the references to documents on file with the Commission are offered to comply with Commission Rule R. 103-712.4 and to provide information useful to the Commission in considering the reasonableness of the proposed rate schedule.²

NEED AND JUSTIFICATION FOR RATE RELIEF AND RATE SCHEDULE MODIFICATIONS

11. Applicant submits that the proposed water rate increase is necessary in order that it may provide reasonable and adequate service to its customers. The rates proposed are also necessary to comply with standards and regulations set by DHEC and other governmental agencies which regulate the environmental aspects of Applicant's business. Applicant further submits that the proposed rates are necessary to enable it to earn a reasonable return on its investment and to attract capital for future improvements. Said rates will preserve the financial integrity of the Applicant, promote continued investment in and maintenance of its facilities, and thereby permit Applicant to continue providing reliable and high quality water services.

²Because Applicant utilizes a composite depreciation rate of 1 ½%, no depreciation schedule by categories of plant or average service lives exists. The Applicant will, of course, be making available to ORS during the audit in this case copies of the Company's depreciation workpapers.


REQUEST FOR RATE BASE TREATMENT

12. Applicant also submits that given its substantial plant investment, and specifically the rate base reflected on Schedule C of Exhibit "B", Applicant is entitled to have the reasonableness of its proposed rates determined in accordance with the rate of return on rate base methodology. Accordingly, Applicant requests rate base treatment in this proceeding.

WHEREFORE, having fully set forth its Application, Southland Utilities, Inc. prays that the Commission approve the rates proposed and grant to Applicant such other and further relief as the Commission may deem just and proper.

Respectfully submitted,

WILLOUGHBY & HOEFER, P.A.

By: 
John M. S. Hoefer, Esquire
Benjamin P. Mustian, Esquire
Willoughby & Hoefer, P.A.
Post Office Box 8416
Columbia, SC 29202-8416
(803) 252-3300

Attorneys for Southland Utilities, Inc.

Columbia, South Carolina
This 25th day of June, 2007.

Exhibit "A"

SOUTHLAND UTILITIES, INC.

SCHEDULE OF **PROPOSED** RATES AND CHARGES

WATER

1. Monthly Charges

Residential

Monthly charge per single-family house, condominium, mobile home or apartment unit:

\$21.79 per unit

Commodity Charge:

\$8.09 per 1,000
Gallons or 134 cft

Commercial

Monthly Charge

\$21.79 per SFE*

Commodity Charge:

\$8.09 per 1,000
Gallons or 134 cft

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

2. Non-Recurring Charges

A) Water service connection charge per single-family equivalent* \$100.00

- B) Plant Impact fee per single-family equivalent* \$400.00

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non-residential customer is less than one (1). If the equivalency rating of a non residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the water system is requested.

3. Account Set-Up and Reconnection Charges

- a. Customer Account Charge – for new customers only. \$25.00
- b. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of thirty five dollars (\$35.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5 (1976, as amended). The amount of the reconnection fee shall be in accordance with R. 103-732.5 and shall be changed to conform with said rule from time to time. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected. The reconnection fee shall also be due prior to reconnection if water service has been disconnected at the request of the customer.

4. Billing Cycle

Recurring charges will be billed bimonthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Late Payment Charges

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1 1/2 %) for each month, or any part of a month, that said payment is late.

6. Cross Connection Inspection Fee

Any customer installing, permitting to be installed, or maintaining any cross connection between the Utility's water system and any other non-public water system, sewer or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2 (Supp. 2006), as may be amended from time to time. Such a customer shall annually have such cross connection inspected by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A S.C. Code Ann. Regs. R.61—58.7.F.8 (Supp. 2006), as may be amended from time to time. Said report and results must be provided by the customer to the Utility no

later than June 30th of each year. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customer's next bill.

7. Construction Standards

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed.

8. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has restricted the Utility from adding for any reason additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

* A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities – 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2006), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

Southland Utilities, Inc
Balance Sheet
December 31, 2006

Schedule A

ASSETS

Plant In Service	
Water	\$ 333,905
	0
Total	\$ 333,905
Accumulated Depreciation-Water	
	\$ (38,373)
	0
Total	\$ (38,373)
Net Utility Plant	\$ 295,533
Plant Acquisition Adjustment-Water	
	\$ 0
	0
Total	\$ 0
Construction Work In Process-Water	
	\$ 52,543
	0
Total	\$ 52,543
Current Assets	
Cash	\$ 0
Accounts Receivable - Net	7,540
Other Current Assets	0
Total	\$ 7,540
Deferred Charges	
	\$ 1,276
TOTAL ASSETS	\$ 356,892

LIABILITIES AND OTHER CREDITS

Capital Stock and Retained Earnings	
Common Stock and Paid In Capital	\$ 20,000
Retained Earnings	34,455
Total	\$ 54,455
Current and Accrued Liabilities	
Accounts Payable-Trade	\$ 247
Taxes Accrued	162
Customer Deposits	1,825
Customer Deposits - Interest	2,201
A/P - Assoc. Companies	155,049
Total	\$ 159,485
Advances In Aid of Construction	
Water	\$ 0
Total	\$ 0
Contributions In Aid of Construction	
Water	\$ 98,385
Total	\$ 98,385
Accumulated Deferred Income Tax	
Unamortized ITC	73
Deferred Tax - Federal	44,283
Deferred Tax - State	211
Total	\$ 44,567
TOTAL LIABILITIES AND OTHER CREDITS	\$ 356,892

EXHIBIT "B"

Southland Utilities, Inc
Water Operations
Test Year Ended December 31, 2006

Schedule B
Page 1 of 2

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
Operating Revenues					
Service Revenues - Water	\$ 46,158	\$ (144) [a]	\$ 46,013	\$ 97,232	\$ 143,245
Miscellaneous Revenues	1,034	-	1,034		1,034
Uncollectible Accounts	(437)	1	(436) [k]	(921)	(1,356)
Total Operating Revenues	\$ 46,754	\$ (143)	\$ 46,611	\$ 96,311	\$ 142,923
Maintenance Expenses					
Salaries and Wages	\$ 12,828	\$ 347 [b]	\$ 13,174	\$ -	\$ 13,174
Purchased Power	6,236	171 [j]	6,407	-	6,407
Purchased Water	-	-	-	-	-
Maintenance and Repair	7,106	195 [j]	7,301	-	7,301
Maintenance Testing	631	17 [j]	649	-	649
Meter Reading	563	15 [j]	578	-	578
Chemicals	-	-	-	-	-
Transportation	603	17 [j]	619	-	619
Operating Exp. Charged to Plant	(6,734)	(334) [c]	(7,068)	-	(7,068)
Outside Services - Other	2,306	63 [j]	2,370	-	2,370
Total	\$ 23,540	\$ 491	\$ 24,030	\$ -	\$ 24,030
General Expenses					
Salaries and Wages	\$ 5,459	\$ 288 [b]	\$ 5,747	\$ -	\$ 5,747
Office Supplies & Other Office Exp.	6,444	(1,959) [j]	4,484	-	4,484
Regulatory Commission Exp.	472	47,845 [d]	48,317	-	48,317
Pension & Other Benefits	3,873	420 [b]	4,293	-	4,293
Rent	-	-	-	-	-
Insurance	1,592	44 [j]	1,636	-	1,636
Office Utilities	657	18 [j]	675	-	675
Miscellaneous	1,236	(154) [l]	1,082	-	1,082
Total	\$ 19,733	\$ 46,502	\$ 66,235	\$ -	\$ 66,235
Depreciation	\$ 6,038	\$ 3,802 [e]	\$ 9,841	\$ -	\$ 9,841
Taxes Other Than Income	1,730	6,005 [f]	7,735	1,108 [f]	8,843
Income Taxes - Federal	(4,552)	(19,291) [g]	(23,843)	31,655 [g]	7,812
Income Taxes - State	33	(3,618) [g]	(3,585)	4,760 [g]	1,175
Amort. Investment Tax Credit	(48)	-	(48)	-	(48)
Amortization of PAA	-	- [e]	-	-	-
Amortization of CIAC	(1,897)	0 [e]	(1,897)	-	(1,897)
Total	\$ 1,305	\$ (13,102)	\$ (11,797)	\$ 37,524	\$ 25,727
Total Operating Expenses	\$ 44,577	\$ 33,891	\$ 78,468	\$ 37,524	\$ 115,992
Net Operating Income	\$ 2,177	\$ (34,034)	\$ (31,857)	\$ 58,788	\$ 26,931
Interest During Construction	\$ (2,299)	\$ 2,299 [h]	\$ -	\$ -	\$ -
Interest on Debt	10,045	2,377 [i]	12,422	-	12,422
Net Income	\$ (5,569)	\$ (38,710)	\$ (44,279)	\$ 58,788	\$ 14,509

Southland Utilities, Inc
Explanation of Adjustments to Income Statement

Schedule B
Page 2 of 2

- [a] Water revenues are adjusted to tie to test year consumption data at test year rates.
- [b] Salaries, wages and benefits are adjusted for annualization as of 12/31/06, and then adjusted for anticipated increases of 4%.
- [c] Operating expense charged to plant has been adjusted to reflect an increase in operator salaries.
- [d] Regulatory expense has been adjusted for the total estimated cost of this case, amortized over three years.
- [e] Depreciation and amortization expense are annualized to reflect actual and estimated pro forma plant additions, actual and estimated capitalized time additions, and actual and estimated general ledger plant additions at the Company's depreciation rates.
- [f] Taxes other than income are adjusted for annualized payroll taxes, utility commission taxes, and gross receipts taxes.
- [g] Income taxes are computed on taxable income at current rates.
- [h] AFUDC is eliminated for rate making purposes.
- [i] Interest on debt has been computed using a 59.94%/40.06% debt / equity ratio and a 6.58% cost of debt.
- [j] Maintenance and General Expenses have been increased to reflect the increase of CPI.
- [k] Uncollectible accounts have been adjusted to account for bad debt expense at proposed revenues.
- [l] Expenses related to fines and penalties have been removed for ratemaking purposes.

EXHIBIT "B"

Southland Utilities, Inc
Water Operations
Rate Base and Rate of Return
Test Year Ended December 31, 2006

Schedule C
Page 1 of 2

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	\$ 2,177	\$ (34,034)	\$ (31,857)	\$ 58,788	\$ 26,931
Gross Plant In Service	333,905	-	333,905	-	333,905
Accumulated Depreciation	(38,373)	32,888	(5,485)	-	(5,485)
Net Plant In Service	295,533	32,888	328,420	-	328,420
Cash Working Capital	5,625	6,764	12,389	-	12,389
Contributions In Aid of Construction	(98,385)	-	(98,385)	-	(98,385)
Accumulated Deferred Income Taxes	(44,494)	-	(44,494)	-	(44,494)
Customer Deposits	(4,026)	-	(4,026)	-	(4,026)
Advances in Aid of Construction	-	-	-	-	-
Plant Acquisition Adjustment	-	-	-	-	-
General Ledger Additions	-	18,873	18,873	-	18,873
Excess Book Value	-	-	-	-	-
Pro Forma Plant	-	137,191	137,191	-	137,191
Pro Forma Plant Retirements	-	(35,000)	(35,000)	-	(35,000)
Total Rate Base	\$ 154,252	\$ 160,716	314,968	\$ -	\$ 314,968
Return on Rate Base	1.41%		-10.11%		8.55% [c]

Plant by Categories:

12/31/06

3011001	ORGANIZATION	1,832
3011000	WATER PLANT	-
3021002	FRANCHISES	-
3033020	LAND & LAND RIGHTS (PUMP PLT)	1,495
3036010	LAND & LAND RIGHTS	27,000
3042011	STRUCTURES & IMPROVE (SOURCE SUP)	-
3043021	STRUCTURES & IMPROVE (PUMP PLT)	20,205
3044031	STRUCTURES & IMPROVE (WTR T P)	10,258
3072014	WELLS & SPRINGS	47,356
3113025	ELECTRIC PUMPING EQUIPMENT	40,959
3204032	WATER TREATMENT EQUIPMENT	7,512
3305042	DISTRIB RESERVOIRS & STANDPIPES	13,233
3315043	TRANSMISSION & DISTRIB MAINS	95,993
3335045	SERVICE LINES	34,691
3345046	METERS	15,514
3345047	METER INSTALLATIONS	886
3355048	HYDRANTS	447
3391088	UNIFORMS	-
3406090	OFFICE STRUCTURES & IMPROVEMENTS	-
3406091	OFFICE FURNITURE & EQUIPMENT	-
3446095	LABORATORY EQUIPMENT	-
3466094	TOOLS, SHOP & MISC EQUIPMENT	1,340
3466097	COMMUNICATION EQUIPMENT	414
3907091	OFFICE FURNITURE & EQUIPMENT	-
3937094	TOOLS, SHOP & MISC EQUIPMENT	-
3967097	COMMUNICATION EQUIPMENT	-
3917000	TRANSPORTATION	14,770
3406010	MAINFRAME COMPUTER	-
3406020	MINI COMPUTERS	-
3406110	COMP SYS COST	-
3406120	MICRO SYS COST	-
1041000	UTILITY PLANT ACQUIRED/DISPOSED	-
	SUB-TOTAL	\$ 333,905

Southland Utilities, Inc**Schedule C****Explanation of Adjustments to Rate Base and Rate of Return****Page 2 of 2**

- [a] Accumulated depreciation is adjusted to reflect actual and estimated general ledger additions, actual and estimated capitalized time additions, and actual and estimated pro forma plant additions and retirements that will all be completed by the estimated time of ORS's audit
- [b] Cash working capital is calculated based on 1/8 of maintenance and general expenses
- [c] A pro forma adjustment has been made to include actual and estimated capitalized time that will be completed by the estimated time of ORS's audit
- [d] A pro forma adjustment has been made to include actual and estimated construction work in progress (pro forma plant) that will be completed by the estimated time of ORS's audit
- [e] The Return on Rate Base shown above is provided solely as a matter of information and convenience for the Commission and is not intended to reflect a request for this specific return on rate base (or any return on equity) Applicant will make its request for a return on rate base (and return on equity) by way of evidence to be introduced at hearing

Schedule D

Southland Utilities, Inc
Test Year Ended December 31, 2006
Test Year Revenues

WATER

Bill code	Description	Gallons	Usage Charge	Test Year Units	[a]	BFC	Revenues
Creekwood	Water-All Meters	4,389,624	\$ 2.60	380		\$ 7.00	\$ 14,073
Cedarwood	Water-All Meters	8,064,553	\$ 2.60	1,568		\$ 7.00	\$ 31,940
	Total	12,454,177		1,948			\$ 46,013
						per t/b difference \$	\$ 46,158
						difference %	(144)
							-0.31%

[a] Because Southland customers are billed bi-monthly, Test Year Units reflect twice the number of bills issued during the test year.

Schedule E

Southland Utilities, Inc
Test Year Ended December 31, 2006
Revenues at Proposed Rates

WATER						
Bill code	Description	Test Year Gallonage	Proposed Usage Charge	Test Year Units	Proposed BFC	Revenues
Creekwood	Water-All Meters	4,389,624	\$ 8.09	380	\$ 21.79	\$ 43,811
Cedarwood	Water-All Meters	8,064,553	\$ 8.09	1,568	\$ 21.79	\$ 99,434
	Total	12,454,177		1,948		\$ 143,245

[a] Because Southland customers are billed bi-monthly, Test Year Units reflect twice the number of bills issued during the test year.

Southland Utilities, Inc.
Test Year Ended December 31, 2006
Customer Growth

Schedule F

Water

Actual Customers at 12/31/05	175
Actual Customers at 12/31/06	175
Projected Customers at 12/31/07	175

BOARD:
Elizabeth M. Hagood
Chairman
Edwin H. Cooper, III
Vice Chairman
Steven G. Kisner
Secretary



C. Earl Hunter, Commissioner

Promoting and protecting the health of the public and the environment

May 1, 2007

Exhibit "C"

BOARD:
Henry C. Scott
Paul C. Aughtry, III
Glenn A. McCall
Coleman F. Buckhouse, MD

Benjamin P. Mustian
Willoughby & Hoefer, P.A.
PO Box 8416
Columbia, SC 29202-8416

RE: Your letter of April 30, 2007 (copy enclosed)
Southland Utilities, Inc. Water Systems

Dear Mr. Hoefer:

This letter affirms that Southland Utilities has the valid DHEC permits to operate the Creekwood and Cedarwood systems.

I can be reached at 803-898-4157 or at debessjp@dhec.sc.gov.

Sincerely,

Jeffrey P. deBessonnet, P.E., Director
Water Facilities Permitting Division



SOUTHLAND UTILITIES INC 464
PO BOX 4539
WEST COLUMBIA SC 29171-4539

To insure proper credit, return this portion. Please do not staple, clip, or tape.

**** PLEASE VISIT OUR WEBSITE AT www.uiwater.com ****

Remittance Address:	For Service or Billing Inquiries Call:
SOUTHLAND UTILITIES INC 464	803-796-9545 OR 800-367-4314
PO BOX 4539	To Pay By Credit or Debit Card, Call 1-877-527-7852.
WEST COLUMBIA SC 29171-4539	A Convenience Fee Will Be Charged.

Description of Charges

Account #		PRIOR BALANCE	\$0.00
Service Addr		WATER	\$43.04
Bill Date	05/29/07	Due Date	06/23/07
		SC DHEC FEE	\$5.90

Prior Read	03/14/07	1137420
Current Read	05/14/07	1148590
Usage		11170
# of days this period		61
Average daily usage		183
Average daily water cost		\$0.80
Average daily sewer cost		\$0.00
Last Payment	04/19/07	\$49.67

COPY

1 1/2% PER MONTH WILL BE ADDED TO
ALL AMOUNTS NOT PAID BY THE DUE DATE.

PLEASE PAY	\$48.94
------------	---------

PLEASE PROVIDE YOUR SERVICE ADDRESS PHONE NUMBER
ON THE NET REMITTANCE FORM

SO WE MAY CONTACT YOU IN THE EVENT OF A SERVICE RELATED EMERGENCY.

TO HELP US MAINTAIN SECURITY SURROUNDING YOUR DRINKING WATER SYSTEMS,
PLEASE CALL OUR OFFICE AND THE POLICE IF YOU NOTICE SUSPICIOUS ACTIVITY.

PAYMENT OPTIONS -- \$\$\$ -- WE CAN AUTOMATICALLY DRAFT YOUR PAYMENT FROM YOUR SAVINGS/CHECKING ACCOUNT FREE OF CHARGE. FOR INFORMATION, CALL OUR CUSTOMER SERVICE DEPARTMENT AT THE SERVICE & BILLING INQUIRY NUMBER LISTED ABOVE.

* * * * *

TO PAY BY CREDIT, DEBIT (VISA & MASTERCARD) OR ELECTRONIC CHECK, CALL
1-877-527-7852. PAYMENTS MADE ON ANY VISA CARD THAT CAN BE USED AS A DEBIT
OR CREDIT CARD WILL BE PROCESSED AS A DEBIT CARD. PAY OVER THE INTERNET BY
ACCESSING PAYBYINTERNET.COM. MAKE INTERNET PAYMENTS TO OUR PARENT COMPANY
UTILITIES INC. THERE IS A FEE FOR THESE PAYMENT OPTIONS. *****

***** YOU MUST ALLOW FOR CREDIT/DEBIT CARD PROCESSING TIME. *****

*** TO ASSURE PROPER CREDIT TO YOUR ACCOUNT FOR ONLINE OR PHONE PAYMENTS, **
 **** PLEASE ENTER YOUR 12 DIGIT WATER/SEWER ACCOUNT NUMBER CAREFULLY. ****

Rate Schedule Available Upon Request